



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

BLM	Mike Davis
Company	Mike Davis
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0410002
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, July 20, 2004
Start Date/Time:	7/20/2004 10:18:00 AM
End Date/Time:	7/20/2004 1:40:00 PM
Last Inspection:	Thursday, June 03, 2004

Inspector: Pete Hess, Environmental Scientist III

Weather: Hot, 90's F. Low level strato-cumulus clouds.

InspectionID Report Number: 337

Accepted by: whedberg

8/8/2004

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **SUFCO MINE**

Address: **397 S 800 W, SALINA UT 84654**

County: **SEVIER**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

24,632.95	Total Permitted
27.36	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The only special permit condition included within Attachment "A" of the current State permit is the requirement to submit water monitoring data to the Division's electronic web site. The permittee is in compliance with this special condition, and has so been since May of 2002, (date of issue of current State permit).

Inspector's Signature

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date

Wednesday, July 21, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
 telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 www.ogm.utah.gov

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The permittee recently made the Division aware of a change in ownership within Corporate structure. Arch Coal, Inc., has recently purchased that portion of the Company which was previously owned by Itochu Coal International. Also, Mr. Richard Pick, CEO of Canyon Fuel Company has retired. The submittal of new Chapter 1, Ownership and Control Information is pending.

3. Topsoil

The permittee has recently submitted a permit amendment application to reclaim the two South portals associated with the SUFCO Mine. The portals were developed prior to SMCRA, but have been used by the Mine to date. Having been broken out from within the Mine, there was no topsoil saved for reclamation purposes. The topsoiling of this area is a concern which has been aired by the USFS, (the SMA, Fish Lake NF). Mr. Davis indicated that it will be necessary to obtain topsoil from one of the piles located at the waste rock site in order to obtain soil volume to reclaim this area. The review of the permittee's submittal is pending.

4.a Hydrologic Balance: Diversions

The Mine site rain gauge intercepted 0.12 inches of rain on July 13, 14, and 19, and 0.70 inches on Sunday, July 18th. The inspection of the waste rock site revealed that a large erosion gully on the SW corner of this refuse facility had developed due to several reasons: 1) the twelve inch CMP located within the County road ditch at the waste site access road / County road junction had become blocked within flushed debris from the localized event. 2) With the blockage of this culvert, additional flow volume overtopped the berm, allowing intercepted County road drainage from above the waste rock facility to flow down the waste rock access road and then across the active lift of that facility. This flow migrated through several recently placed piles of coal waste material, reaching the retention berm on the SW corner of the facility. The berm eventually failed, allowing the water volume to flow down this slope, eroding it. All material and water reported to the waste rock sediment impoundment. A review of Map 2, Volume 3, SUFCO Waste Rock Disposal Site reveals that it is difficult to determine whether the blocked twelve inch CMP belongs to the permittee or Sevier County (the disburbed area boundary and the flow path of Diversion #3 are colinear). It appears that the watershed which reported this flow volume to the offending culvert may have received a greater amount of water than the event received at the Mine on 7/18. The Division indicated this day that the twelve inch culvert may be too small at the access road junction. The permittee intends to clean the blocked culvert, as well as enhance the berm inside the cable gate to force the flow which should be confined within the County Road ditch to stay within that diversion. The erosion gully on the SW corner of the active lift will also be repaired. The recently placed end dumped piles will also be leveled and compacted.

4.d Hydrologic Balance: Water Monitoring

On June 3, 2004, iron precipitate was noted as having dropped out of suspension at a location within the East Fork of Box Canyon drainage. The permittee was instructed by the Division to sample waters upstream, within, and downstream of the precipitate location. The permittee contracted Petersen Hydrologic to sample these areas on June 25, 2004. The results of those analyses were received by the Division during today's inspection. Mr. Eric Petersen's conclusion of the three samples indicates that "the orange staining and modest increases in TDSare most likely the result of the exposure of creek water to pyrite or other sulfide minerals on freshly broken fractures surfaces and subsequent pyrite oxidation". Also, "the fact that no dissolved iron was present in any of the three stream samples clearly indicates that any iron liberated through pyrite oxidation has been rapidly oxidized and removed from the water. Dissolved oxygen and pH levels in the East fork below the orange stained area are similar to upstream levels". Mr. Petersen's report also states that "there does not appear to have been any significant degradation of water quality to the East Fork". The Division, in conjunction with the surface management agency should determine at this time if additional monitoring of the area due to the pyrite oxidation process is warranted.

7. Coal Mine Waste, Refuse Piles, Impoundments

As noted above, the permit area has received approximately 0.82 inches of rainfall during the six day period of July 13 - 19. The waste rock site pond was observed to contain collected runoff this day. There were no problems noted with the impoundment. As noted elsewhere in this report, there are some issues relative to the waste rock disposal area, of which the permittee is aware.

9. Protection of Fish, Wildlife and Related Environmental Issues

A golden eagle was observed taking flight at or near mile marker #7 on the Sevier County road accessing the SUFCO Mine. Coal truck traffic was minimal this day, due to the longwall shearer at the Mine being incapable of producing coal.

14. Subsidence Control

The permittee submitted a proposal to repair the subsidence cracks located on the escarpment above the Elusive Peacock shelter in the East Fork of Box Canyon on July 19, 2004. The review of the proposal by Division personnel, as well as the USFS is pending.

16.a Roads: Construction, Maintenance, Surfacing

The Sevier County access road to the SUFCO Mine was noted as having been recently repaved by the County. The striping of that road remains to be completed.

20. Air Quality Permit

The permittee was observed to be operating the oscillating sprinklers for fugitive dust suppression in the tipple area this day.